ROTHSCHILD AND THEIR EQUITY RELEASE SCAM
HOW IT ALL HAPPENED

LET US BE CLEAR RIGHT FROM THE START, THIS IS A SCHEME THAT WAS PROMULGATED BY **NM ROTHSCHILD & SONS LTD OF LONDON**. THEY ARE THE PARTY **WITH WHOM THE BORROWERS ARE IN CONTRACT**. IT IS THEIR NAME ON THE LOAN DOCUMENTATION. THE LOAN STATEMENTS ARE IN THEIR NAME AND MARGIN CALLS ARE MADE IN THEIR NAME.AND PAID TO THEM IN LONDON. THEIR ATTEMPTS TO MAKE OUT THAT IT IS PURELY A MATTER FOR THEIR SUBSIDIARY IN **GUERNSEY,** WHICH IS NOT SUBJECT TO UK REGULATION, **IS PURE OBFUSCATION** IN AN ATTEMPT TO AVOID RESPONSIBILITY **FOR THEIR OWN ILLEGAL ACTS**. THEY SIMPLY USED THEIR GUERNSEY COMPANY AS "AGENT AND SERVICE PROVIDER" – THEIR WORDS. ALSO, according_to one of their directors,_**Stephen Dewsnip,** **IT WAS PERSONALLY APPROVED AND SANCTIONED BY BARON ROTHSCHILD HIMSELF – HE WHO PRIDES HIMSELF SO MUCH ON THE INTEGRITY OF HIS FAMILY NAME,.**

It is not clear exactly who it was, back in 2004, that came up with the idea of putting together a product for expat residents in Spain that would supposedly give participants four magic ingredients:

* **Equity release**
* **Additional income**
* **Protection from Inheritance Tax**
* **Minimal risk – 100% capital guarantee**

Sounds great doesn't it? Too good to be true? Make up your own mind!

That is exactly what Rothschild claimed to have created for clients in an article written by Stephen Dewsnip. (See below)

The identity of the original sponsor of that idea, however, is irrelevant. What is important is that the purpose was not to benefit the poor participants but for greedy investment managers and bankers to put more assets on their books and swell their balance sheets, creating additional revenue for their companies and even bigger bonuses for themselves.

Never mind who it was that first had the germ of that idea, what is a matter of fact and record, is that **Charles Walton**, a senior manager of the **Premier Fund Group** was one person who took hold of the idea and decided to run with it. Desperate to cash in on more client business in an ever booming bull market on the stock exchanges around the world, he knew that he could not take this plan any further without the involvement of one key element, without which nothing could happen. That element was, of course, a lending bank as an active partner, so he started shopping around. That was when he got together with **Stephen Dewsnip** of **NM Rothschild & Sons Ltd,** from their Guernsey office.

Other banks also showed some interest, including **Barclays**, Surrendalink Mortgages and Aareal bank in Germany. How many cases the other prospective lenders signed up is unclear, but **Barclays** certainly did complete on a number of cases, although their minimum was very much higher than **Rothschild**'s and they were certainly not as enthusiastic about it as **Stephen Dewsnip**. **Barclays** involvement ceased altogether when they discovered that the **IFA's** were unregulated, and they were very accommodating to the clients who had bought into it with them, and assured them there would be no question of foreclosure and made other concessions. **No concessions whatsoever** were even considered by **Rothschild** even in the case of death of some borrowers. They did, however, increase the margin on the amount of the property value to be counted, which meant of course that they could increase the amount of the loan accruing against the property without going through a foreclosure process.

Thus it was that at the end of 2004 and or early in 2005, the Equity Release package was put together by **Dewsnip** and **Walton** and it was rolled out to **Independent Financial Advisors (IFA's**), whether authorized or not, throughout Spain in a series of meetings, hosted by the infamous duo - **Stephen Dewsnip** of **NM Rothschild & Sons Ltd** and **Charles Walton** of **Premier Fund Managers.** These initial presentations included Surrendalink as well, and both lenders were prepared to allow only the one fund**, Premier Group's Optima Fund 2**, for investment and for use as collateral. They also agreed between them that, for tax purposes, the investment should be made through a life policy to be taken out with **Aspecta in Luxembourg**. This firm has throughout consistently refused to have contact directly with the individual investors, but will only communicate with **Rothschild**, to whom all participants had assigned all rights and interest in the investment fund as well as in their houses.

It was **Rothschild's choice to use only the one investment fund**, and before they would lend the money, they insisted you invest in the **Optima Fund 2**, otherwise – no loan. **Rothschild were, "ipso facto", giving investment advice.**

In these early days they were calling the product by the name **"SHIP"**, an acronym for **"Safe Home Income Plan"**, despite the fact that some of these particular types of equity release scheme, under that name, had been **prohibited in the UK in 1991 by the SIB** (the forerunner to the FSA), a fact of which they were well aware, but thought they could get away with as they were selling it in Spain. It was then that **Stephen Dewsnip** of **NM Rothschild & Sons Ltd**, a director of their Guernsey subsidiary, which the parent was using as their agent in these matters, started doing the rounds of various centres of the British expat communities, giving **seminars** to groups of **IFA's** of what the scheme consisted, how it worked, why they should use **Rothschild** as the lender, and how they could make money out of it. All this time, he was extolling the virtue of the **Rothschild brand** and the **integrity** it stood for, the **value** that it brought to the product and the **importance of their involvement** to the success of the venture. **Stephen Dewsnip** even made copies of his **Power Point presentation,** covering all these points, available to many of the **IFA's** which some of them still have to this day, and they would no doubt be **willing to make them available for inspection on request.** By this time **Charles Walton** had dropped from prominence in the promotion by **Rothschild**, presumably because **Rothschild** were doing all the work and because of the inclusion of other funds apart from his own.

A number of substantial **IFA firms** became very interested, particularly **Henry Woods** and **Hamiltons**. For various reasons, probably not unconnected to the illegality of some **"SHIP"** arrangements, these two firms decided to rename the scheme for their own clients. **Henry Woods** called their version **"SPAIRS"** (**S**panish **P**roperty **A**nd **I**ncome **R**elease **S**cheme) and **Hamiltons** called theirs **"SITIRS"** (**S**panish **I**nheritance **T**ax and **I**ncome **R**elease **S**cheme). **Henry Woods** rejected the **SITIRS** title because they felt the blatant use of the reference to **Inheritance Tax**, might cast doubt on its validity because it could be considered simply a device to evade the tax, not a genuine mortgage, and therefore not effective. At least they got that one right!

Both firms then produced virtually identical high gloss brochures, with the only real difference being that one said **SITIRS** and the other one said **SPAIRS**. Both brochures included material about funds accepted by the other two lenders, but **Optima Fund** was very much the number one. These brochures made a big point of the fact that there would be **no initial fee and no sales charge**, and that **100% of all monies** released by the bank **will be invested** at the outset. **Rothschild could not have been unaware** of these brochures or their content as they were working hand in glove with the agents, and in the case of **Henry Woods** particularly, they arranged special presentations across Spain to encourage clients to participate in the scheme. These were arranged especially for **Stephen Dewsnip of Rothschild to promote the scheme and the Rothschild brand**. As sometimes happened, a husband would tell **Dewsnip** that it was his wife who needed convincing, and **Dewsnip's response** would be to throw his arms wide, and oozing charm, say something like:

"Mrs (so-and-so), can you ever imagine a bank as well known and respected as Rothschilds ever doing anything risky or dishonest - this is THE Rothschilds Banking Family that I am talking about".

The **IFA's** claim they were not aware that **Aspecta** and **the Premier Group** would be taking an immediate **8% in upfront fees** before investing the monies. **Rothschild knew full well** that this was going to happen because **they monitor** the value of their collateral on a **daily** basis, and have been doing so all along. If they were not aware of it in advance, why did they not make a fuss when the value of their **collateral dropped 8% in one day** before the money was even invested? They did not make a fuss because **their calculations had already taken this into account and they allowed the participants in the scheme to be duped without interfering.** This deduction made it even more impossible for the scheme to be viable even with out the financial collapse that was to follow. **Rothschild, of course, were not worried about it because they had such a huge margin with the value of the property and the investment fund to cover the loan.**

To back up the glossy brochures, **Stephen Dewsnip on behalf of Rothschild,** also produced an article especially written for **Henry Woods** for them to publish in their own **Newsletter** to attract new clients, as well as inform existing ones. This article featured a photograph of **Dewsnip** himself and one of a general view of one of his presentations to **Henry Woods** clients showing large **Rothschild** banners hanging from the ceiling. The headline to the article reads **"Rothschild presents a Tailor-made plan to fit your needs".** It goes on to claim **"Our focus on innovation has therefore led us to design products to meet the demands of our customers, rather than to design a product as a "one size fits all"!".**

When challenged, **Rothschild** insist they were not involved in the development or promotion of the product. They were simply acting as lender when approached to do so, and were at the **Henry Woods** presentations as a guest speaker, at their request, to speak solely about the technicalities of the loan agreement. What arrant nonsense that they should even think they should be able to get away with such blatant lies, just because they are the **"Rothschilds", when many thousands of copies of the Dewsnip article claiming credit for designing it especially for clients were distributed to members of the public!** Also, after a brief introduction, **Dewsnip** was the only speaker at the **Henry Woods** presentations and he spoke at length about how they **developed the product specially for Spanish clients, how safe and low risk it was, how Rothschild would never be involved in anything that was not absolutely secure and totally above board.** In answer to individual questions from those present he was keen to assure people that he personally had spent a great deal of time with **Baron Rothschild in London** explaining the whole deal to him and getting **his personal approval** for the promotion of the product to go ahead. He was certainly not talking about a pure lending role.

When questioned about the underlying investment, **Dewsnip** was quick to assure people that **Rothschild had satisfied themselves that the investment**

group was entirely appropriate and Rothschild would never be involved in anything that would put their collateral or their reputation at risk. He would even go so far as to say that they would be working with the investment managers on a daily basis to ensure that the investment performance was up to expectations.

Throughout all this **Rothschild** were continuing to sign up **elderly people** and retired couples, most of whom were **desperately in need of the extra income** that was promised, as well as the cash release. These were not the "High Net Worth" individuals that the **risky Optima Fund** investment was aimed at. **They were not experienced investors**. They were, and are, people who needed extra money and were trying to save a little extra to pass to their widows or children. **You don't have to be rich to pay inheritance tax in Spain.**

For **Rothschild** to find these new clients in Spain, *where they are not licensed to operate*, they needed the **help of the IFA's** and to this end **Dewsnip had been holding seminars** around the country teaching them **all about Rothschild** and the value they brought to the product, how the scheme worked, how the investment fitted in and how the loan worked through their **Credit Select product.** Many copies of the **Dewsnip Power Point Presentation** for this are in the hands of IFA's and many of these were adapted by people who worked for **Hamiltons** and **Henry Woods** to suit their own circumstances, using other investment products when these were later approved by **Rothschild**. All of them still bear the **Rothschild LOGO**, however. It is quite clear that **Rothschild** were using the **IFA's as their agents** and supplied them with plentiful copies of all their loan documentation, and everything that was required to sign people up apart from the actual legal mortgage document over the property, which has to be drawn up by Spanish lawyers and signed in front of a Notary. **Rothschild have a legal responsibility for the actions of their agents** and cannot simply say they were only the lenders.

In addition to that responsibility**, Rothschild** have a **duty of care** to the people who became their clients when they lent them money. That **duty of care** extends to whether or not the product was **entirely suitable** for them and at least **did what they said it would**, and that it **is fair in all respects on the lender**. They also claimed that the approved fund was the **Optima fund 2,** but in fact they allowed **Aspecta** to invest in a fund of their own based on the **Premier group fund**, which was supposed to be a "mirror fund". This was clearly untrue because at times the real fund went up in value when the **Aspecta** fund went down. **Rothschild knew the monies were not being invested as advertised** but were happy to go along with it. Where was their sense of the **duty of care** they owed their clients when this happened? When they were found out, they said it was because **Aspecta** were prohibited by local laws from investing in an Isle of Man fund. Some people suggest it was because **Aspecta** could make more money out of running their own fund, with the connivance of **Rothschild**. **Rothschild** are very concerned about the security of their collateral, but ask people to believe that they simply handed the money from the loan over to **Aspecta** and did nothing to check up that all of it was invested, without deduction of upfront fees, or that it was invested where it was supposed to be invested. **Rothschild do not know what "duty of care" means.**

Rothschild claim they were **purely a lender** when asked to be so, but throughout all this they were **themselves placing adverts** in glossy magazines (e.g. **"Essential" magazine** in Marbella), for a package almost identical, but with different investment opportunities. It is interesting that as of only very recently, the references to the **Creditselect facility** and how it could be used for such **equity release** purposes has **disappeared from the Rothschild website.**

What a pity they don't actually adhere to the core principals they make such a fuss about on that website:

- **Objective advice**
- **Personal commitment**
- **Family values**
- **Intellectual rigour**

Unfortunately they are only concerned with maximizing their own profits and minimizing their own risk at the expense of the gullible public.